

## Michaud-Backed Bill Cracking Down on Currency Manipulation Passes House

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WASHINGTON, DC &ndash; Today, Congressman Mike Michaud praised House passage of the "Currency Reform for Fair Trade Act" (H.R. 2378), a bill that he has been pushing for years that will make it easier for the U.S. Department of Commerce to initiate investigations into currency manipulation for the purposes of determining countervailing duties, which is a type of tariff levied against a country's imports that have been found to be unfairly subsidized. Additional information on the bill passed today can be found [here](#).

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"This bill will arm our nation with the tools it needs to truly crack down on currency manipulators," said Michaud. "Countries like China who manipulate their currency to keep their exports artificially cheap cheat the international trading system and hurt our economy. This bill sends a powerful signal to China that we aren't going to tolerate their abusive trade practices anymore. It also shows American workers that we will not stand by while they lose their jobs because of China's illegal trade practices. Most importantly, passage of this bill into law will help our nation rebuild and create jobs."

Michaud has championed passage of this bill because of the effect that China's currency manipulation is having on U.S. business and workers across the country. Maine's paper industry has been particularly hard hit in recent years due to the flooding of U.S. markets by heavily subsidized Chinese and Indonesian paper imports, which are made even cheaper by undervalued currency. In fact, according to a study done by the Economic Policy Institute, between 2001 and 2008 approximately 9,000 jobs have been lost in Maine due to the U.S. trade deficit with China, which is fueled by China's undervalued currency.

China has a long history of suppressing the value of its currency to make its exports cheaper than they would be if China allowed its currency to be set by the market. That currency manipulation puts a drag on the U.S. economy and has reduces U.S. GDP by 1.4 percentage points annually. Forcing China to compete on an even playing field in the U.S market will make U.S. manufacturers more competitive. Economists estimate that revaluation of China's currency would create 500,000 manufacturing jobs in the U.S.

Michaud delivered the following remarks on the House floor this evening during debate on the bill.

"This issue is simple: China's currency manipulation is illegal, and it costs Maine jobs. Just ask the Sappi Fine paper millworkers in Westbrook and Skowhegan, or those at the NewPage mill in Rumford. They've seen their coworkers get laid off and certified for Trade Adjustment Assistance because of cheap Chinese paper imports. In fact, over 9,000 Mainers in all sectors have lost their jobs because of our trade deficit with China, which is directly related to their currency manipulation. Companies like NewPage and Sappi Fine can't compete when China doesn't play by the rules.

"This bill will help us hold China's feet to the fire for their unfair trade practices. It will make sure our American companies are competing on a level playing field. And it will save American jobs."

China's currency manipulation is a chief concern of domestic paper companies and their workers. Three paper companies, including Sappi Fine and NewPage that have mills in Maine, with 20 mills and 6,000 workers currently have a

petition before the International Trade Commission (ITC) and the U.S. Department of Commerce claiming direct injury due to China's trade practices, including currency manipulation. Due to a strict statutory standard, which the bill the House is considering today would change, Commerce declined to investigate the currency manipulation charge, but they did find in favor of paper company and worker complaints that China was directly subsidizing their paper companies. A positive outcome for the domestic industry and its workers requires both the Department of Commerce and the ITC to make final, affirmative determinations in their favor. The final decision by the ITC is expected on October 19th.

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